

## Fair Political Practices Commission

### Memorandum

**To:** Chairman Randolph, Commissioners Blair, Downey, Karlan, and Knox

**From:** Mark Krausse, Executive Director

**Subject:** Legislative Report

**Date:** May 27, 2004

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May 28<sup>th</sup> is the last day for bills to pass out of their house of origin. As a result, some of the actions shown will have changed by the time you receive this report. The Legislature will adjourn for summer recess on July 18<sup>th</sup>, providing the Budget Bill has been enacted, and will reconvene on August 18<sup>th</sup>.

| <b>Action Items</b> |        | <b>Bills Amending the PRA</b> |                    |
|---------------------|--------|-------------------------------|--------------------|
| Bill No.            | Author | Title                         | Introduced/Amended |

**AB 890 Levine Political party committees: late contributions 5/20/04**

This bill is a “gut and amend” to insert the contents of SB 1072 (Burton), a bill introduced last year to address a controversy arising out of the 2002 state general election involving late contributions from 21<sup>st</sup> Century Insurance. The current language makes state and county political party committees state general purpose committees, thus subjecting them to pre-election disclosure requirements, and also includes aggregated contributions \$1000 or more to a political party committee in the definition of late contributions. **In Senate Elections. Urgency clause. Recommendation: support.**

**SB 1849 Karnette Campaign and Lobbyist Reporting 4-27-04**

Drops the threshold for electronic filing of campaign reports from \$50,000 to \$5,000 in contributions or expenditures. Also requires lobbying firm and lobbyist employer reports that are currently filed quarterly to be filed monthly. The sponsor (SOS) has proposed moving the threshold to \$25,000 and dropping the change to lobbying disclosure deadlines. **In Assembly Elections. Recommendation: oppose.**

| <b>Informational Items</b> |        | <b>Bills Amending the PRA, Elections Code</b> |                    |
|----------------------------|--------|---|--------------------|
| Bill No.                   | Author | Title   | Introduced/Amended |

**AB 1784 Wolk Lobbyists: conflicts with statewide officers 2-18-04**

This bill prohibits a lobbyist from contacting an elected state officer, other than a legislator, with whom the lobbyist has or had a contractual or business relationship, for the purpose of influencing legislative or administrative action. The bill defines contractual and business relationships and requires lobbyists to notify the Secretary of State within 14 days of a contractual or business relationship with an elected state officer. AB 1784 also requires that candidates report a contract or agreement that includes a payment contingent upon the candidate’s election to office. **In Senate Elections.**

**AB 1785 Frommer Lobbyists: conflicts with legislators 2-18-04**

This bill prohibits a lobbyist from contacting a legislator with whom the lobbyist has or had a contractual or business relationship, for the purpose of influencing legislative or administrative action. Requires lobbyists to notify the Secretary of State within 14 days of a contractual or business relationship with an elected state officer. **In Senate Elections.**

# Legislative Report

May 27, 2004

| <i>Informational Items</i>  |                   | <b>Bills Amending the PRA, Elections Code</b>           |                    |
|---|-------------------|---|--------------------|
| Bill No.  | Author            | Title   | Introduced/Amended |
| <b>AB 2818</b>  | <b>Pacheco</b>    | <b>CPI adjustments</b>                                  | <b>4-26-04</b>     |
| As amended, this bill requires the Commission to adjust the disclosure and disqualification threshold of section 84308 to reflect changes in the Consumer Price Index since January 1, 1983, and to adjust it in the future in every odd-numbered year. <b>Commission Position: Oppose. Failed passage on Assembly Floor; record expunged.</b>  |                   |   |                    |
| <b>AB 2842</b>  | <b>Leno</b>       | <b>Contribution limits</b>                              | <b>4-14-04</b>     |
| Provides that bank loans are not exempt from the \$100,000 personal loan limit imposed on elective state office candidates by Proposition 34. <b>In Assembly.</b>   |                   |   |                    |
| <b>AB 2888</b>  | <b>Strickland</b> | <b>Contribution limits ("spot" bill)</b>                | <b>2-20-04</b>     |
| Placeholder measure that makes nonsubstantive changes to contribution limit provisions. <b>In Assembly.</b>   |                   |   |                    |
| <b>AB 2931</b>  | <b>Koretz</b>     | <b>Mandatory campaign spending limits ("spot" bill)</b> | <b>2-20-04</b>     |
| Placeholder measure that expresses the intent of the Legislature to enact legislation that would impose mandatory limits on campaign spending. <b>In Assembly.</b>  |                   |   |                    |
| <b>AB 2936</b>  | <b>Longville</b>  | <b>Online and electronic disclosure ("spot" bill)</b>   | <b>2-20-04</b>     |
| Placeholder measure that deletes obsolete reference in the PRA. <b>In Senate Elections.</b>   |                   |   |                    |
| <b>AB 2949</b>  | <b>Hancock</b>    | <b>Clean Money and Clean Elections Act</b>              | <b>4-15-04</b>     |
| Repeals a provision prohibiting public officers from expending or accepting public funds for purposes of seeking elective office, and enacts the California Clean Money and Clean Elections Act of 2004, which would authorize eligible candidates, as defined, to obtain public funds according to specified procedures and requirements, provided that certain thresholds are attained. (Staff will provide an analysis if the bill is approved by the Assembly Appropriations committee.) <b>In Assembly Appropriations.</b> |                   |   |                    |
| <b>AB 3006</b>  | <b>Haynes</b>     | <b>Campaign contributions</b>                           | <b>2-20-04</b>     |
| Prohibits legislators and constitutional officers from accepting contributions during the period between the annual submission of the Governor's Budget and the enactment of the state budget. <b>In Assembly Elections.</b>  |                   |   |                    |
| <b>AB 3101</b>  | <b>ER&amp;CA</b>  | <b>Voluntary expenditure limits</b>                     | <b>4-27-04</b>     |
| Provides that a candidate may not change his or her acceptance or rejection of voluntary expenditure limits more than twice after the candidate's initial filing of a statement of intention to be a candidate. <b>Commission Position: Support. In Senate; awaiting assignment to Elections Committee.</b>   |                   |   |                    |
| <b>SB 1340</b>  | <b>Perata</b>     | <b>Campaign disclosure</b>                              | <b>3-22-04</b>     |
| Commission-sponsored measure that would, in addition to other changes, require filing officers for independent expenditure committees to maintain paper independent expenditure reports under the name of the candidate or measure supported or opposed by the independent expenditure. The bill would require retention of campaign records for 5 years, require audits of electronic reports and statements, and create a 4-year statute of limitations for collection of fines. <b>In Assembly Elections.</b>                |                   |   |                    |

| <i>Informational Items</i>  |                | <b>Bills Amending the PRA, Elections Code</b> |                    |
|---|----------------|---|--------------------|
| Bill No.  | Author         | Title   | Introduced/Amended |
| <b>SB 1351</b>  | <b>Soto</b>    | <b>Local officials: conflicts of interest</b> | <b>4-16-04</b>     |
| Prohibits former elected city and county officials who held a position with a local government agency from appearing before or communicating with that agency if the appearance or communication is made for the purpose of influencing administrative or legislative action, or influencing any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property. <b>Commission Position: Oppose. Passed Senate; in Assembly awaiting assignment to Elections Committee.</b> |                |   |                    |
| <b>SB 1353</b>  | <b>Perata</b>  | <b>Political party committees</b>             | <b>2-18-04</b>     |
| Commission-sponsored measure that would, in addition to other changes, revise the definition of state general purpose committees to include a political party committee. <b>In Assembly Elections.</b>  |                |   |                    |
| <b>SB 1449</b>  | <b>Johnson</b> | <b>Campaign loans</b>                         | <b>4-16-04</b>     |
| Prohibits a candidate from loaning more than \$100,000 from any source, including bank loans, to his or her elective state office campaign. <b>Commission Position: Support. In Assembly.</b>   |                |   |                    |
| <b>SB 1458</b>  | <b>Johnson</b> | <b>Public moneys ("spot" bill)</b>            | <b>2-19-04</b>     |
| Placeholder measure amending the section prohibiting public officers and candidates from expending or accepting public funds. <b>In Assembly.</b>   |                |   |                    |
| <b>SB 1653</b>  | <b>Johnson</b> | <b>Conflicts of interest ("spot" bill)</b>    | <b>2-20-04</b>     |
| Placeholder measure amending conflict of interest provisions. <b>In Assembly.</b>   |                |   |                    |
| <b>SB 1712</b>  | <b>Alpert</b>  | <b>Online campaign disclosure</b>             | <b>2-20-04</b>     |
| Requires the Secretary of State's office to review current filing and disclosure requirements of the Online Disclosure Act of 1997 and report to the Legislature, no later than June 1, 2005, its recommendations on revising requirements so as to promote greater reliance on electronic and online submissions. <b>In Assembly Elections.</b>  |                |   |                    |
| <b>SB 1730</b>  | <b>Johnson</b> | <b>Primary elections</b>                      | <b>5-12-04</b>     |
| Changes the statewide direct primary election from being held on the first Tuesday after the first Monday in March in each even-numbered year, to being held on the last Tuesday in June of each year. Changes the established mailed ballot elections date from the first Tuesday after the first Monday in June of each even-numbered year to March of each even numbered year. <b>In Assembly Elections.</b>   |                |   |                    |
| <b>SB 1902</b>  | <b>Florez</b>  | <b>Nonprofit corporations: disclosure</b>     | <b>4-13-04</b>     |
| This bill would require a nonprofit corporation that has an elected official as its president or on its governing board to disclose its finances to the FPPC by April 15 each year. <b>In Senate Elections.</b>   |                |   |                    |

**Informational Items — Two-year Bills Amending the PRA**

| Bill No. | Author | Title | Introduced/Amended |
|----------|--------|-------|--------------------|
|----------|--------|-------|--------------------|

**AB 1197 Wiggins School officials: conflicts of interest****8/28/03**

Includes in the definition of “designated employee” any board member, chief business officer, superintendent, assistant superintendent, deputy superintendent, associate superintendent, chief personnel officer, and general counsel of a public school district or county office of education, and equivalent positions, and any individual having governance or management responsibility in a charter school. The bill would designate the county board of education as the code reviewing body for charter schools. **Reconsideration granted. To Senate Inactive File.**

**SB 604 Perata Cumulative contributions****2/5/04**

Defines “cumulative contributions” to be those contributions received beginning 12 months prior to the date the committee made its first expenditure to qualify, support, or oppose the measure and ending within seven days of the time the advertisement is sent to the printer or broadcast station. Deletes references to telegrams and adds methods for filing, including facsimile transmission and guaranteed overnight delivery. Amended by the author at the request of plaintiffs in Levine v. FPPC to reform the slate mail disclosure statutes at issue in that case. **In Assembly. Urgency clause. Commission Position: Sponsor.**

**SB 641 Brulte Campaign expenditures: telephone advocacy****7/1/03**

This bill would change the definition of “mass mailing” found in the Act from “mail” to a specific definition of what items delivered to a person constitute a mass mailing. It also adds language to the act prohibiting the expenditure by a candidate, committee or slate mail organization for anonymous telephone advocacy for a candidate, ballot measure, or referendum. The author accepted an amendment requested by the Commission to maintain a record of the call’s script or in the case of a prerecorded message, a taped copy. This would not apply to telephone calls made by the candidate, campaign manager, or volunteers. The author rejected a Commission sponsored amendment requiring disclosure at the beginning of the call, but took Commission language regarding retention of text or recording of content of message. **Urgency clause. In Assembly Elections. Hearing cancelled.**

**SB 1072 Burton Political party committees: late contributions****6/9/03**

Adds contributions made to or received by a political party committee after the closing date of the last campaign statement required to be filed before an election to the definition of late contribution. (Note: contents of this measure recently amended into AB 890 (Levine). **Failed passage twice in Assembly. Commission Position: Support.**

**SCA 14 Vasconcellos Political Reform****9-12-03**

This bill would establish the FPPC, California Economic Strategy Panel (CESP) and the California Redistricting Commission by constitutional provision. It would establish the Clean Campaign Fund, administered by the FPPC and providing public funds to candidates under certain conditions. It would require the FPPC to license and monitor campaign consultants. It would change voting options and primary election dates. It would increase the number of Senators and Assemblymembers and their terms of office. It would change the voting requirement for General Fund appropriations from a 2/3 vote to a majority vote. It would place additional responsibilities on the CESP. It would make the Legislative Counsel responsible for redistricting, revise redistricting standards and create the CRC for the purpose of advising the Legislative Counsel. **In Senate.**

## Legislative Report

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***Final Disposition Items — Bills No Longer Affecting the PRA***

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| Bill No. | Author | Title | Introduced/Amended |
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|----------------|-------------|---|----------------|
| <b>AB 1980</b> | <b>Wolk</b> | <b>Ballot Measure Trustees: Prohibited expenditures</b> | <b>5-26-04</b> |
|----------------|-------------|---|----------------|

This bill has been amended out of the PRA. It now amends the Elections Code to prohibit expenditures in support of a trustee's candidacy for elective state office or in opposition to a candidate running for the same elective state office.